

# **CORRECTED FISCAL NOTE**

## **SB 3412 – HB 3808**

March 28, 2006

**SUMMARY OF BILL:** Includes “open air amphitheaters” in the definition of “building” as it applies to sales and use tax exemptions for tangible personal property used for or within the construction of a larger structure.

### **ESTIMATED FISCAL IMPACT:**

On March 20, 2006, we issued a fiscal note indicating the following impact:

Other Fiscal Impact - The fiscal impact of this bill is dependent upon the number of open-air amphitheaters that would be built in any given year. It is estimated that few open-air amphitheaters would be constructed from year to year in Tennessee. For every \$1.0 million of tangible personal property used for or within the construction of an open-air amphitheater, and to the extent sales and use tax has not been collected on such tangible personal property in the past, state and local government revenues would increase by \$70,000 and \$22,500 respectively.

Based on additional information received, the fiscal impact of this bill is:

#### **(CORRECTED)**

**Other Fiscal Impact - The fiscal impact of this bill is dependent upon the number of open-air amphitheaters that would be built in any given year. It is estimated that few open-air amphitheaters would be constructed from year to year in Tennessee. For every \$1.0 million of tangible personal property used for or within the construction of an open-air amphitheater, state and local government revenues would decrease by \$70,000 and \$22,500 respectively, as a result of the exemption provided.**

#### Assumptions:

- Enactment of this bill extends a sales and use tax exemption on tangible personal property used for or within the construction of open-air amphitheaters.

- The fiscal impact of this bill is dependent upon the number of open-air amphitheaters that would be built in any given year.
- Few open-air amphitheaters would be built from year to year in Tennessee.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized initial "J".

James W. White, Executive Director